

**QUARTERLY REPORT TO THE JOINT LEGISLATIVE OVERSIGHT
COMMITTEE**

ON

**MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE
ABUSE SERVICES**

SESSION LAW 2001-437

October 1, 2004 to December 31, 2004

This quarterly report is submitted to the Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services (LOC), pursuant to the requirements of Session Law 2001-437. This report is for the months of October 1 through December 31, 2004 and provides information on major developments as the Division implements reform.

Section I: Major developments for this quarter include:

- ❑ System reform continues to move steadily forward.
- ❑ Don Willis, Chief of the Administrative Support Section retired.
- ❑ Stan Slawinski, Chief of State Operated Services, was reassigned to the Department of Health and Human Services.
- ❑ J. Michael Hennike, formerly director of Murdoch Center, was named Interim Chief of State Operated Services.
- ❑ Alexander Myers, Ph.D. was named Interim Director of Murdoch Center.
- ❑ Darlene Creech, previously with the Division of Medical Assistance, was named Team Leader for the Administrative Support Section's Division Affairs Team.
- ❑ James Osberg, Ph.D., former Team Leader in State Operated Services, was named Interim Director for Cherry Hospital.
- ❑ Buck Dawkins, formerly Outreach Director at Murdoch Center, was named Interim Team Leader in State Operated Services filling in for James Osberg.
- ❑ The Division Director and the Director of the Division of Medical Assistance continued to provide joint updates to the Directors of the Area Programs/Local Management Entities.
- ❑ The Division provided guidance to Area Programs/Local Management Entities (LMEs) regarding the funding of psychiatric coverage to ensure that this valuable service is available to those in need.
- ❑ The Division Director completed visits to all 15 state operated facilities and 24 of the 33 Area Programs/Local Management Entities.

Section II: Statutory Items

1. Division Reorganization and Staffing Changes

The reorganization of the Division is completed and the Division is operating under the new organizational structure. This report will mark the end of reporting on this item.

2. State Plan 2004: Blueprint for Change

State Plan 2004: Blueprint for Change was released on July 1, 2004. State Plan 2004, the third update, reflects the continued evolution of reform efforts and builds on State Plan 2001: Blueprint for Change. The information contained in the Plan reflects the work that has been accomplished and outlines key developments that must occur over the next fiscal year in order to continue to move reform forward.

The Division released Communication Bulletins #028, #029, #030, #031.

- ❑ Communication Bulletin #028-announced adjustments in the Cherry Hospital and O'Berry Center including 1) Dr. James Osberg will be the Interim Director of Cherry Hospital, and 2) efforts to ally the clinical functions of Cherry Hospital and O'Berry Center have been discontinued.
- ❑ Communication Bulletin #029-announced the appointments of J. Michael Hennike as Interim Chief of State Operated Services and of Alexander Myers as Interim Director of Murdoch Center.
- ❑ Communication Bulletin #030-announced the release of the draft policy for consumer complaints to the Area Programs/Local Management Entities.
- ❑ Communication Bulletin #031-announced an amendment and clarifications of the LME/CFAC Relational Agreement.

3. Local Systems Development

- 1) Division staff of the Customer Service and Community Rights Team completed the statistical data report for the fourth quarter of FY 2003-2004. This report provides information about complaints, informal Medicaid appeals and information and referral requests filed by consumers and family members and stakeholders.
- 2) Division staff have developed a Customer Service Training Curricula in partnership with the North Carolina Council of Community Programs. The curriculum will be part of Area Program/Local Management Entity training to develop local customer service offices. These offices will provide timely responses to consumers and families who have questions and concerns about services and legal rights.

- 3) Per the Relational Agreement between the State Operated Facilities, the Human Rights Committees and the Advocacy and Customer Service Section, the State Facility Advocates Team provided annual training to all State Operated Facility Human Rights Committees in 3 regional training sessions. The presenter for the training was Mary R. McKay, Attorney and Human Rights Committee Chairperson for the J. Iverson Riddle Developmental Center.

4. Consolidation of Local Programs

Sandhills and Lee-Harnett have announced plans to merge effective July 1, 2005.

A draft consolidation plan has been developed that provides a framework and rationale for further consolidations of programs or LME functions. Upon approval of the Secretary of the Department of Health and Human Services, this report will be submitted to the LOC.

5. Services and Programs

Alcohol and Drug Abuse Treatment Centers (ADATCS)

Design development for the new Crisis/Detox Unit at Julian F. Keith ADATC has continued throughout the 2nd Quarter and the design drawings will begin during the 3rd Quarter. The R. J. Blackley Administration submitted a plan to temporarily close one male sub-acute unit and reallocate the staff to the new acute unit in order to open the renovated female acute capacity. All 30 acute/detox beds are now operational at R. J. Blackley. Recruiting efforts have continued and two-thirds of the approved new staff positions have been hired. Continued recruiting efforts will allow the facility to realize its full capacity of 80 beds.

The selection of an architectural firm to design the renovations at the Barrett Building as the future site of the R. J. Blackley ADATC has been completed and approved by the State Building Commission and preliminary meetings have begun to address design issues.

Strategic planning has begun with the ADATCs to introduce evidence-based treatment models and protocols for medically, behaviorally and diagnostically complex individuals who are unable to stabilize and initiate treatment in the community. Strategic planning workgroups are identifying training needs to enhance staff skills in evidence-based practices for the treatment and engagement of individuals with substance abuse and co-occurring disorders. A workgroup has been designated to introduce standardized outcome tools to measure treatment effectiveness. The American Society of Addiction Medicine's evidence-based treatment placement criteria and multidimensional risk matrix for co-occurring disorders are being piloted for use to determine the most appropriate and effective level of care for consumers.

Service Definitions:

The Physicians Advisory Group (PAG) has completed its review of the new Enhanced Benefit service definitions. Division staff and staff from the Division of Medical Assistance have reviewed all of the comments received from the PAG and have made changes in the definitions in response to those suggestions. The Division of Medical Assistance will complete the State Plan Amendment for submission to the Centers for Medicare and Medicaid Services (CMS) early in the new year.

Waivers:

Division staff completed a new comprehensive CAP/MR-DD waiver. The waiver application has been submitted to CMS with a proposed implementation date of July 1, 2005.

The Division, with assistance from the Division of Medical Assistance and various stakeholders including consumer, families and advocates, is developing an Independence Plus Home and Community Based Waiver to provide individuals with developmental disabilities the opportunity to self-direct services. The self-direction movement is recognized as best practice in DD services. The implementation of this Waiver, targeted for January 1, 2006, will mark the first time that North Carolina has afforded individuals the opportunity for self-direction on a statewide basis.

6. Financing**Mental Health Trust Fund:**

The Mental Health Trust Fund continues to be used to assist in reform and community expansion. As of December 31, 2004, \$32,105,713 has been used for the following: bridge funding to Area Programs/Local Management Entities associated with hospital downsizing, hospital replacement planning, funding to Area Programs/Local Management Entities for Integrated Payments and Reporting System (IPRS) conversion and Local Business Plan development, Olmstead assessments, training regarding reform and consultant contracts.

7. Progress Made in Addressing System Reform

This section of the report reflects progress in addressing system reform.

During this quarter, the executive leadership of the Division has met with the co-chairs of the Legislative Oversight Committee and reported on the work of the Division during LOC meetings held in September, November and December of 2004. Reports on efforts related to reform included a presentation on changes to

the service array, target populations, a status report of downsizing the Mental Retardation Centers and the State Psychiatric Hospitals and the implementation of evidence-based practices for adults with mental health.

Areas identified for continued work by Division staff include implementation of the service array, divestiture of services by the LMEs, LME merger and consolidation, and allocation of funds to LMEs. Lastly, a major system-wide training initiative is planned by the Division to begin in the next quarter for providers, consumers, LMEs, and family members on the service definitions.